
Capital Budget Committee

HB 1384

Brief Description: Increasing the debt limit of the housing finance commission.

Sponsors: Representatives Miloscia, O'Brien, Appleton, Springer, Ormsby, Lias, Chase, Flannigan, Sells, Simpson, Santos and Wood.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Increases the Housing Finance Commission's debt limit from \$5 billion to \$7 billion.
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Hearing Date: 2/2/09

Staff: Nona Snell (786-7153)

Background:

The Housing Finance Commission (HFC) was created by the Legislature in 1983. The HFC, however, is not a state agency, does not receive or lend state funds, and its debt is not backed by the full faith and credit of the state.

The HFC acts as a conduit of federal financing for housing, nonprofit facilities, and beginning farmers and ranchers. It issues both tax-exempt and taxable bonds to provide below market-rate financing to nonprofit and for-profit housing developers who set aside a certain percentage of their units for low-income individuals and families. The HFC also issues tax-exempt bonds to provide below market-rate financing for non-housing nonprofit facilities and for beginning farmers and ranchers.

As of January 30, 2009, the Commission has financed more than 61,291 affordable housing units, including over 19,404 affordable elderly units/beds. They have provided over 40,621 loans for home ownership and financed 139 nonprofit facilities throughout the state. Eight loans have been provided to beginning farmers and ranchers.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

When created in 1983, the HFC's statutory debt limit was \$1 billion. The debt limit is the total amount of debt the HFC is authorized to have outstanding at any one time. The debt limit was raised to \$2 billion in 1985, to \$3 billion in 1999, to \$4.5 billion in 2006, and to \$5 billion in 2008. As of December 2008, the HFC's outstanding debt is approximately \$4 billion.

Summary of Bill:

The HFC's debt limit is raised to \$7 billion.

Appropriation: None.

Fiscal Note: Requested on 1/21/09.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.